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Department of Transportation
Federal Aviation Administration

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) OPERATING LIMITATIONS AT
) CHICAGO O'HARE INTERNATIONAL AIRPORT
)

Docket FAA-2004-16944-3

ORDER LIMITING SCHEDULED OPERATIONS
Amendment No. 1

Introduction

On January 21, 2004, the Federal Aviation Administration (FAA) ordered American Airlines, Inc. (American) and United Air Lines, Inc. (United), and their respective affiliated commuter/regional operators, to limit their individual total scheduled operations during the hours of 1:00 p.m. through 7:59 p.m. (local) at Chicago O'Hare International Airport (O'Hare). The Order responded to record delay levels at the airport since November 2003, primarily due to increases in flights and compression of schedules by the two largest operators at the airport. The Order limited the number of operations of the two carriers beginning no later than March 4, 2004, and continuing through September 1, 2004.

This amendment requires, beginning no later than June 10, 2004: (1) an additional schedule reduction of 2.5 percent of each carrier's total operations in the 1:00 p.m. through 7:59 p.m. hours including arrival reductions in specific times; (2) a reduction in the number of scheduled arrivals in the 12:00 p.m. hour; and (3) reductions to continue through October 30, 2004.

Background

The FAA continually reviews the operational performance of the National Airspace System to improve efficiency and maximize system capacity. We have reviewed O'Hare's performance during March 2004, in light of the recent schedule reductions. Our analysis shows the airport has benefited from the schedule changes, but that demand continues to exceed capacity in some periods.

O'Hare delay levels for March 2004 remain higher than historical levels. During March 2004, the FAA's Air Traffic Operations Network (OPSNET)¹ shows that O'Hare recorded 37 percent of total National Airspace System delays. O'Hare in

¹ OPSNET collects data on air traffic activity counts and delays. Additionally, air traffic control delays of 15 minutes or more are listed separately at 35 of the busiest U.S. airports.

March 2004, recorded 889,135 ground delay minutes, an increase of 127 percent over March 2003. FAA Aviation System Performance Metrics (ASPM) data² indicate on-time arrivals fell almost 12 percent and on-time departures fell approximately 16 percent. During March 2004, airport capacity at O'Hare was reduced for many days by adverse weather including unusually high winds and above average periods of reduced ceiling and visibility. While weather accounted for much of the March delay, O'Hare continues to be an airport scheduled at or beyond maximum capacity during peak periods, which leaves little room for recovery when capacity is reduced.

Despite these delay levels, the benefits from the schedule reductions and de-peakings are encouraging. Simulation models of operations at O'Hare suggest that the total delay minutes could have been as much as 30 percent higher had flight schedules remained at the January-February 2004 levels. Further simulations based on March operations and the experienced airport arrival rates show that removing only 18 flights from peak hours could reduce the total minutes of aircraft delay at O'Hare by 24 percent.

Agency Action

The FAA separately discussed recent on-time performance with American and United. The FAA and both carriers recognized that despite the current schedule reduction and de-peakings efforts, some hours were scheduled beyond airport capacity and further changes were needed. Absent this action, delays would likely increase with the onset of summer weather and traffic patterns.

Our review placed particular emphasis on the peak arrival demand during the 1:00 p.m. through 7:59 p.m. period. In some time periods, the current number of scheduled arrivals continues to exceed airport capacity and cannot be safely accommodated without delays. Our review further shows that current scheduled arrivals during the 12:00 p.m. hour have increased and compressed beyond the January-February 2004 levels, as flights were shifted from the 1:00 p.m. hour.

To address these concerns, additional reductions will be required beginning no later than June 10, 2004. American and United each will be required to reduce their scheduled arrivals and departures in the 1:00 p.m. through 7:59 p.m. period

² Aviation System Performance Metrics (ASPM) provides information on individual flight performance and airport efficiency. The data are updated daily. Metrics computed in ASPM are developed by comparing actual time to scheduled time, excluding taxi metrics, which are computed by comparing actual time to an unimpeded time. No attempt is made to attribute causality of delay. ASPM provides statistics for 21 airports. Flight performance is derived from Out Off On In (OOOI) data provided by participating carriers, Official Airline Guide (OAG) data, the FAA's Enhanced Traffic Management System, and the Department of Transportation's Bureau of Transportation Statistics (BTS) on-time performance data. A flight is counted as "on time" if it arrived/departed within 15 minutes of scheduled time. Arrival performance is based on aircraft arrival at the gate. Departure performance is based on departure from the gate. There is a strong correlation in trends and summary level analysis between ASPM and BTS data but some differences are expected due to different metrics.

by an additional 2.5 percent. Moreover, each carrier specifically will be required to reduce scheduled arrivals during the 1:45 p.m. to 2:14 p.m. and 6:00 p.m. to 6:59 p.m. times. Absent increases by any other carriers, the reductions by American and United will return the scheduled arrivals at those times to levels below the maximum airport [arrival] acceptance rate.

This Amendment also establishes new limits on the number of arrivals scheduled by American and United from 12:00 p.m. through 12:59 p.m. A total of 14 scheduled arrivals, approximately 18 percent, will be rescheduled from the 12:00 p.m. hour. There is sufficient room during the 11:00 a.m. hour to accommodate the rescheduling of these arrivals without creating new peaks. Reducing the peak arrival demand during the 12:00 p.m. hour is expected to reduce overall delays since the FAA may not need to impose traffic management programs as early in the day as otherwise may be necessary. During this hour, we are not specifically requiring that departures be reduced since both carriers predominantly schedule arriving flight banks. Finally, this Amendment extends the duration of this Order through the end of the summer scheduling season (October 30, 2004).

The FAA notes there have been some increases in scheduled flights at O'Hare by other carriers during the 1:00 p.m. through 7:59 p.m. period. There is limited capacity at the airport to accept new flights without further increasing delays. The FAA is encouraging all operators to carefully review current or planned flights during these peak hours and to consider operating flights during other hours or at alternative airports.

The FAA recognizes that there will still be some delays, especially under adverse weather or operating conditions, which reduce capacity. The schedule reductions provide an opportunity for the airport to accommodate the demand with less delay without unduly restricting operations and underutilizing airport capacity during good weather conditions. We will continue to monitor closely the level of scheduled operations at O'Hare by all operators and may propose additional modifications as needed. The FAA is encouraged by the cooperative efforts of American and United to improve the operational performance at O'Hare. The actions by the carriers under this Order, along with initiatives by the FAA to address peak summer traffic throughout the National Airspace System, represent efforts to reduce delays and accommodate demand within safe limits.

ACCORDINGLY,

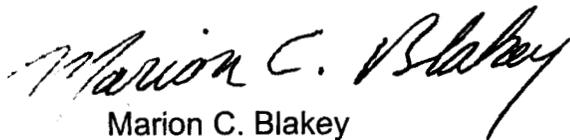
This Amendment incorporates all other terms, authority, and conditions from the Order dated January 21, 2004, except as amended below:

1. This Order shall apply only to the following parties:

- a. American Airlines, Inc., and its affiliates, including any air carrier under its control and any other air carrier conducting code share operations primarily marketed as American/American Eagle, including but not limited to American Eagle ("American"); and
 - b. United Air Lines, Inc., and its affiliates, including any air carrier under its control and any other air carrier conducting code share operations primarily marketed as United/United Express, including but not limited to Ted and United Express carriers, Air Wisconsin Airlines Corporation (AWAC), Atlantic Coast Airlines, Chautauqua Airlines, Mesa Air Group, Inc., Republic Airlines, Shuttle America, SkyWest Airlines, and Trans States Airlines, Inc. ("United").
2. Under the authority provided to me by 49 U.S.C. §§ 40103 and 40113, I hereby order that the limit on operations specified in subparagraphs a and b below are effective no later than 1:00 p.m., March 4, 2004, and shall terminate at 8:00 p.m. (local time), June 10, 2004:
- a. American shall not conduct more than 505 scheduled operations at O'Hare during the hours of 1:00 p.m. through 7:59 p.m. (local time) daily; and
 - b. United shall not conduct more than 655 scheduled operations at O'Hare during the hours of 1:00 p.m. through 7:59 p.m. (local time) daily.
3. Under the authority provided to me by 49 U.S.C. §§ 40103 and 40113, I hereby order that the limit on operations specified in subparagraphs a through h below are effective no later than June 10, 2004, and shall terminate as of 11:59 p.m. (local time), October 30, 2004.
- a. American shall not conduct more than 493 scheduled operations at O'Hare during the hours of 1:00 p.m. through 7:59 p.m. (local time) daily, including approximately 250 scheduled arrivals and 243 scheduled departures.
 - b. United shall not conduct more than 638 scheduled operations at O'Hare during the hours of 1:00 p.m. through 7:59 p.m. (local time) daily, including approximately 309 scheduled arrivals and 329 scheduled departures.
 - c. American shall not conduct more than 38 scheduled arrivals at O'Hare during the 12:00 p.m. through 12:59 p.m. (local time) daily;

- d. United shall not conduct more than 42 scheduled arrivals at O'Hare during the 12:00 p.m. through 12:59 p.m. (local time) daily.
 - e. American shall not conduct more than 18 scheduled arrivals at O'Hare during the 1:45 p.m. through 2:14 p.m. (local time) daily.
 - f. United shall not conduct more than 31 scheduled arrivals at O'Hare during the 1:45 p.m. through 2:14 p.m. (local time) daily.
 - g. American shall not conduct more than 41 scheduled arrivals at O'Hare during the 6:00 p.m. through 6:59 p.m. (local time) daily.
 - h. United shall not conduct more than 46 scheduled arrivals at O'Hare during the 6:00 p.m. through 6:59 p.m. (local time) daily.
4. Any party may apply to the FAA on good cause shown for modification or withdrawal of this Order.

Issued in Washington, D.C., on April 21, 2004.



Marion C. Blakey
Administrator